



**CREDIT CARD DISCLOSURE
AND AGREEMENT**

EFFECTIVE JUNE 1, 2013



UNIFY
FINANCIAL CREDIT UNION

**UNIFY Financial Credit Union
PO Box 10018
Manhattan Beach, CA 90267**

VISA VARIABLE RATE CREDIT CARD AGREEMENT

NOTICE: See reverse side for important information regarding your rights to dispute billing errors.

SEE THE ACCOUNT OPENING DISCLOSURE WHICH ACCOMPANIES THIS AGREEMENT

In this Agreement, the words ("you") and ("your") mean the person or persons who use or authorize the use of, or who sign an application for, a UNIFY Financial Credit Union VISA Variable Rate Credit Card. ("Card") means the UNIFY Financial Credit Union VISA Variable Rate Credit Card and any duplicates and renewals the Credit Union issues to you. ("Account") means your VISA Variable Rate Credit Card Line of Credit Account with the Credit Union. ("Credit Union") means UNIFY Financial Federal Credit Union dba UNIFY Financial Credit Union.

1. Using the Account. If your application for a VISA Variable Rate Credit Card account is approved, UNIFY Financial Credit Union will establish a line of credit for you and notify you of its amount when the card is sent to you. You agree not to let your account balance exceed your approved credit limit. Each payment you make on the account will restore your credit limit by the amount of the payment which is applied to the principal amount of purchases and cash advances. You may also use the credit extended herein as an overdraft source for your Checking Account. You may request an increase in your credit limit online, by telephone, or by written application submitted to the Credit Union. UNIFY Financial Credit Union has the right to reduce or terminate your credit limit at any time, as permitted by law.

2. Using the Card. You may use your Card to purchase goods and services in person, and by mail, Internet, or telephone, from merchants and others who accept VISA Credit Cards. In addition, you may obtain cash advances from the Credit Union, from other financial institutions or select merchants participating in the VISA program and from automated teller machines ("ATMs"), such as VISA ATM Network, that provide access to the VISA system. (Not all merchants or ATMs provide such access.) You will need to use your Personal Identification Number ("PIN") to obtain a cash advance from an ATM.

3. Illegal Use of VISA Credit Card. You agree that your VISA Variable Rate Credit Card Account will not be used to make or facilitate any transaction(s) that are or might be construed to be illegal pursuant to applicable law, rule or ordinance, including but not limited to gambling. Said use, including any such authorized use, will constitute an event of default under this Agreement. You agree that the Credit Union has no liability, responsibility or culpability whatsoever for any such use by you or any authorized user(s). You agree that you are responsible for repayment of any and all debts incurred for these transactions. You further agree to indemnify and hold the Credit Union harmless from any suits, liability, damages or adverse action of any kind that results directly or indirectly from such illegal use.

4. Responsibility. You agree to pay all charges (purchases and cash advances) to your account made by you or anyone who you authorize to use your account. You also agree to pay all other charges added to your account, pursuant to Paragraph 6 below. Your obligation to pay the amount owed on your account continues until paid in full even though an agreement, divorce decree or other court judgment to which the Credit Union is not a party may direct someone else to pay the account balance. Each of you who signs the application for a card, or who use the account is individually and jointly responsible for all amounts owed on this account.

5. Finance Charges. In order to avoid a **FINANCE CHARGE** on purchases made since your last statement date, you must pay the Total New Balance shown on your statement by the Payment Due Date shown. Otherwise the **FINANCE CHARGE** on purchases is calculated from the beginning of the next statement period on previously billed but unpaid purchases and on new purchases from the date they are posted to your account. Cash advances are always subject to a **FINANCE CHARGE** from the date they are posted to your account. There is no grace period for cash advances, balance transfers, overdraft privilege, or Convenience Checks.

VISA VARIABLE RATE ACCOUNT

VISA Variable Rate Accounts will be subject to a **FINANCE CHARGE** (interest) at an **ANNUAL PERCENTAGE RATE** and a corresponding Monthly Periodic Rate which will be a standard variable (floating) rate

based upon an index, plus a margin for purchases, balance transfers and cash advances. The margin applicable to your account will be determined by your creditworthiness.

Index

The Index is Prime Rate ("Index"). Information about this Index is published in the Money Rates Table of the Wall Street Journal.

Rate Changes

The **ANNUAL PERCENTAGE RATE** may change on the first (1st) day each calendar month. These are known as Rate Change Dates. The Index value used for a given billing cycle will be the value published thirty (30) days before the Rate Change Date or the most recently published value published before the Rate Change Date. If more than one rate is published, the Index will be the highest of the rates published. If the Index ceases to be published, the Credit Union will choose a new Index and give you notice of its choice.

Determination of Annual Percentage Rate

The Credit Union will add a margin depending on your credit score to the Index to get the **ANNUAL PERCENTAGE RATE** applicable to your Account for the billing cycle.

Notification of a margin that applies to purchases, balance transfers and cash advances which you have been approved for was provided on the New Account Letter and Account Opening Table delivered to you upon completion of the credit review and approval.

ANNUAL PERCENTAGE RATE for the billing cycle will be divided by twelve (12) to get the corresponding Monthly Periodic Rate for the billing cycle. An increase or decrease in the Prime Rate will lead to an increase or decrease in your **ANNUAL PERCENTAGE RATE** and the corresponding Monthly Periodic Rate applicable to your Account. If the Index ceases to be published, the Credit Union will choose a new Index and give you notice of its choice.

Limitations on Changes

There is no limit on the amount by which the rate changes in any one-year period. The maximum **ANNUAL PERCENTAGE RATE** that can apply is 18.00%.

Annual Percentage Rate Example

Based upon a margin of 5.99% (your margin may be different depending on your credit score), plus an Index value of 3.25%, (which was the value of the Index on May 1, 2013), your Account would be subject to a **FINANCE CHARGE** (interest) at an **ANNUAL PERCENTAGE RATE** of 9.24%, with a corresponding Monthly Periodic Rate of 0.77%.

On the first (1st) day of each calendar month and on each subsequent change date, the **ANNUAL PERCENTAGE RATE** and the corresponding Monthly Periodic Rate will be calculated according to the formula described above.

If you do not agree with the terms and conditions of this agreement, please destroy the card at once by cutting it in half and mail it back to the Credit Union with your instructions to close the account.

6. Other Charges. The following Other Charges will be added to your account, as applicable, please see the Credit Union's Disclosure of Fees and Charges:

- **CASH ADVANCE FEE (FINANCE CHARGE):** You will be charged a cash advance fee as stated on the Disclosure of Fees and Charges. This fee will apply for overdrafts to a Credit Union Checking Account.
- **BALANCE TRANSFER FEE (FINANCE CHARGE):** You will be charged a balance transfer fee as stated on the Disclosure of Fees and Charges.
- **COPIES:** If you request a copy of any document, we may charge your account per copy requested. If your request is related to a billing error and an error is found, we will credit any copying charges to your account.
- **LATE PAYMENT FEE:** We reserve the right to charge a late payment fee to your account each billing period that the minimum monthly payment is not received by 1 day after the payment due date.
- **RETURNED PAYMENTS:** A fee will be assessed for each payment returned to the Credit Union unpaid.

7. Change in Terms; Changing or Terminating Your Account. The Credit Union may change the terms of this Agreement, including your **ANNUAL PERCENTAGE RATE**, from time to time for any reason not inconsistent with applicable law after giving you any advance notice required

by law. Your use of the card after receiving notice of a change will indicate your agreement to the change. To the extent the law permits, and except as otherwise indicated in the notice to you, the change will apply to your existing account balance as well as to future transactions. Either the Credit Union or any one of you may terminate this Agreement at any time, but termination by you or the Credit Union will not affect your obligation to pay the account balance plus any finance and other charges you owe under this Agreement. The cards you receive remain the property of the Credit Union and you must recover and surrender to the Credit Union all cards upon request or upon termination of this Agreement whether by you or the Credit Union.

8. Monthly Payment. The minimum payment is 2% of your Total New Balance but not less than \$10, plus the amount of any prior minimum payments that you have not paid, unpaid charges, and any over limit balances. In addition, if at any time your Total New Balance exceeds your credit limit, you must immediately pay the excess upon demand. Subject to applicable law, your payments will be applied to what you owe the Credit Union in any manner the Credit Union chooses.

9. Default. You will be in default if you fail to make any minimum payment or other required payment by the date that it is due. You will be in default if you break any promise you make under this Agreement. You will be in default if you die, file for bankruptcy or become insolvent, that is, unable to pay your obligations when they become due. You will be in default if you make any false or misleading statements in any credit application or credit update. You will also be in default if something happens which the Credit Union believes may substantially reduce your ability to repay what you owe. When you are in default, the Credit Union has the right to immediately terminate this Agreement and demand immediate payment of your full account balance. If immediate payment is demanded, you will continue to pay a **FINANCE CHARGES**, at the periodic rate charged before default, until what you owe has been paid, and any shares that were given as security will be applied towards what you owe. To the extent permitted by law, you will also be required to pay the Credit Union's collection expenses, including court costs and reasonable attorney's fees.

10. Lost or Stolen Card Notification. If you believe your credit card has been lost or stolen, or if you believe someone is using your card without your permission, immediately notify the Credit Union by calling 877.254.9328.

You will not be liable for unauthorized use that occurs after you notify the Credit Union of the loss, theft, or possible unauthorized use of the card. You agree to cooperate fully in any investigation the Credit Union may conduct in connection with the loss, theft, or possible unauthorized use of your card.

11. Liability for Unauthorized Use. If there is unauthorized use on your consumer VISA Variable Rate Credit Card your liability will be zero (\$0.00). This provision limiting your liability does not apply to either VISA commercial cards, ATM cash disbursements, or non-VISA PIN-less debit transactions. Additionally, your liability with respect to unauthorized transactions may be greater than the above limit, to the extent allowed under applicable law, if the Credit union reasonably determines, based on substantial evidence, that you were grossly negligent or fraudulent in the handling of your account or card.

12. Overdraft Privilege. You agree that if, pursuant to any overdraft privilege on a Credit Union Checking Account, there is an overdraft of your Checking Account, the amount of overdraft will be added to the outstanding balance of your VISA Variable Rate Credit Account subject to the **FINANCE CHARGE** set forth in Paragraph 5 and you will be assessed a cash advance fee pursuant to Paragraph 6. Further, you will be subject to all terms and conditions of this Agreement. The VISA Account must be current and not over the credit limit for funds to transfer to the Checking Account. Overdrafts are not allowed for the purpose of making loan payments, including VISA payments, at the Credit Union, ATM or in-branch teller cash withdrawals. The Checking Account referred to herein is also subject to a separate agreement between you and the Credit Union. Where the terms of any other agreement between you and the Credit Union conflict with the terms of this agreement, the terms of this agreement will control.

13. Credit Information. You authorize the Credit Union to investigate your credit standing when opening or reviewing your account. You authorize the Credit Union to disclose information regarding your account to credit bureaus and creditors who inquire about your credit standing. You are hereby notified that a negative credit report reflecting on your credit record may be submitted to a credit reporting agency if you fail to fulfill the terms of your credit obligations.

14. Returns and Adjustments. Merchants and others who honor the card may give credit for returns or adjustments, and they will do so by sending the Credit Union a credit slip which will be posted to your account. If your

credits and payments exceed what you owe the Credit Union, the amount will be applied against future purchases and cash advances. If the amount is \$1 or more, it will be refunded upon your written request or automatically after six months.

15. Foreign Transactions. Purchases and cash advances made in foreign currencies will be billed to you in U.S. dollars. Transactions processed outside of the United States, or in a foreign currency may be charged a foreign transaction fee, regardless of whether there is a currency conversion associated with the transaction. The conversion rate in dollars will be a rate selected by VISA from a range of rates available in wholesale currency markets for the applicable Central Processing Date, which rate may vary from the rate VISA itself receives, or the government-mandated rate in effect for the applicable Central Processing Date in each instance, plus the percentage point fee as stated on the Disclosure of Fees and Charges charged by the Issuer.

16. Merchant Disputes. The Credit Union is not responsible for the refusal of any merchant or financial institution to honor the card. The Credit Union is subject to claims and defenses (other than tort claims) arising out of goods or services you purchase with the card if you have made a good faith attempt but have been unable to obtain satisfaction from the merchant or service provider, and (a) your purchase was made in response to an advertisement the Credit Union sent or participated in sending to you; or (b) your purchase cost more than \$50 and was made in your state or within 100 miles of your home.

17. Effect of Agreement. This Agreement is the contract which applies to all transactions on your account even though the sales, cash advances, credit or other slips you sign or receive may contain different terms.

18. No Waiver. The Credit Union can delay enforcing any of its rights any number of times without losing them.

19. Statements and Notices. You will receive a statement each month showing transactions on your account. Statements and notices will be mailed to you at the most recent address you have given the Credit Union. Notice sent to any one of you will be considered notice to all. You agree to promptly notify the Credit Union if you change your mailing address.

20. Transfer of Account. You cannot transfer or assign your account to any other person.

21. Governing Law. This Agreement and your account shall be governed by California law without regard to any conflict of law rules.

ADDITIONAL DISCLOSURES APPLICABLE TO CONVENIENCE CHECKS

Convenience Checks. We may send you Convenience Checks which can be used to obtain cash or pay for goods or services up to the amount of your available credit limit unless the amount will cause you to exceed your credit limit. In such cases these Convenience Checks will be charged against your credit limit, processed as cash advances and accumulate **FINANCE CHARGES** from the date the check posts to your Account, pursuant to paragraph 5 above. Convenience Checks may only be used by the person whose name is printed on them. You may not use Convenience Checks to pay any amount which you owe us under this Agreement. We will not return any paid convenience checks to you.

Using the Convenience Check. To make a purchase, present your Convenience Check to any participating merchant. To request a cash advance, present your Convenience Check to us or any participating financial institution.

Reasons Not to Honor a Convenience Check. We may decline to honor your Convenience Check if you are over your credit limit, you are in default, your Account privileges have been canceled, or your card has expired. A fee stated in the Disclosure of Fees and Charges will be assessed for each convenience check that is returned to the Credit Union for non-sufficient funds.

Stop Payment of Convenience Checks. You may stop payment on a Convenience Check by notifying us in writing at the address shown on your monthly statement or by calling us at 877.254.9328. If you call, you must confirm the request in writing within fourteen (14) days. A written stop payment order will remain in effect for six (6) months and then it will lapse unless renewed in writing. You will be assessed a stop payment fee as stated on the Disclosure of Fees and Charges.

YOUR BILLING RIGHTS

KEEP THIS NOTICE FOR FUTURE USE

This notice contains important information about your rights and our responsibilities under the Fair Credit Billing Act.

Notify Us In Case of Errors or Questions About Your Bill

If you think your bill is wrong, or if you need more information about a transaction on your bill, write us on a separate sheet at the address listed on your bill. Write to us as soon as possible. We must hear from you no later than 60 days after we sent you the first bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights.

In your letter, give us the following information:

- Your name and account number.
- The dollar amount of the suspected error.
- Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are not sure about.

If you have authorized us to pay your credit card bill automatically from your share account or share draft account, you can stop the payment on any amount you think is wrong. To stop the payment your letter must reach us three business days before the automatic payment is scheduled to occur.

Your Rights and Our Responsibilities After We Receive your Written Notice

We must acknowledge your letter within 30 days, unless we have corrected the error by then. Within 90 days, we must either correct the error or explain why we believe the bill was correct.

After we receive your letter, we cannot try to collect any amount you question or report you as delinquent. We can continue to bill you for the amount you question, including finances charges, and we can apply any unpaid amount against your credit limit. You do not have to pay any questioned amount while we are investigating, but you are still obligated to pay the parts of your bill that are not in question.

If we find that we made a mistake on your bill, you will not have to pay any **FINANCE CHARGES** related to any questioned amount. If we didn't make a mistake, you may have to pay **FINANCE CHARGES** and you will have to make up any missed payments on the questioned amount. In either case, we will send you a statement of the amount you owe and the date that it is due.

If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write to us within ten days telling us that you still refuse to pay, we must tell anyone we reported you to that you have a question about your bill. And, we must tell you the name of anyone we reported you to. We must tell anyone we report you to that the matter has been settled between us when it finally is. If we don't follow these rules, we can't collect the first \$50 of the questioned amount even if your bill was correct.

Special Rule for Credit Card Purchases

If you have a problem with the quality of property or services that you purchased with a credit card, and you have tried in good faith to correct the problem with the merchant, you may have the right not to pay the remaining amount due on the property or services. There are two limitations on this right:

- a) You must have made the purchase in your home state or, if not within your home state, within 100 miles of your current mailing address; and
- b) The purchase price must have been more than \$50.

These limitations do not apply if we own or operate the merchant, or if we mailed you the advertisement for the property or services.

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